

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 15-16, 2006

Reference No.: 3.8
Information Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: William D. Bronte
Chief, Division of Rail

Ref: **FY 2005-06 2nd QUARTER RAIL OPERATIONS REPORT**

SUMMARY

This is the FY 2005-06 Second Quarter Intercity Rail Operations Report requested by the California Transportation Commission (Commission). The report provides information for each route on ridership, farebox ratio, passenger miles per train mile, and on-time performance measures.

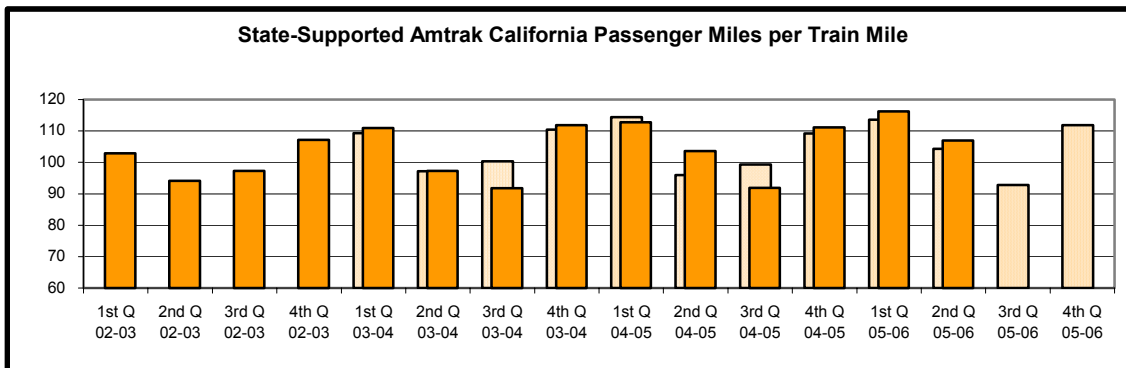
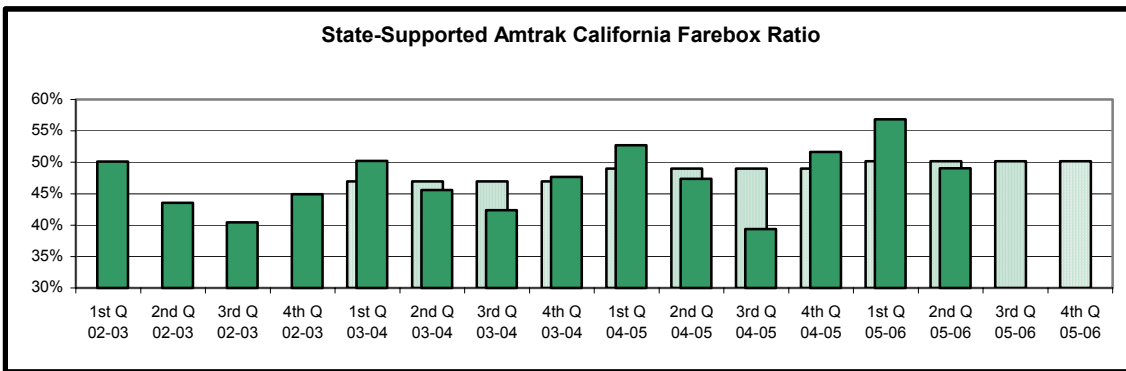
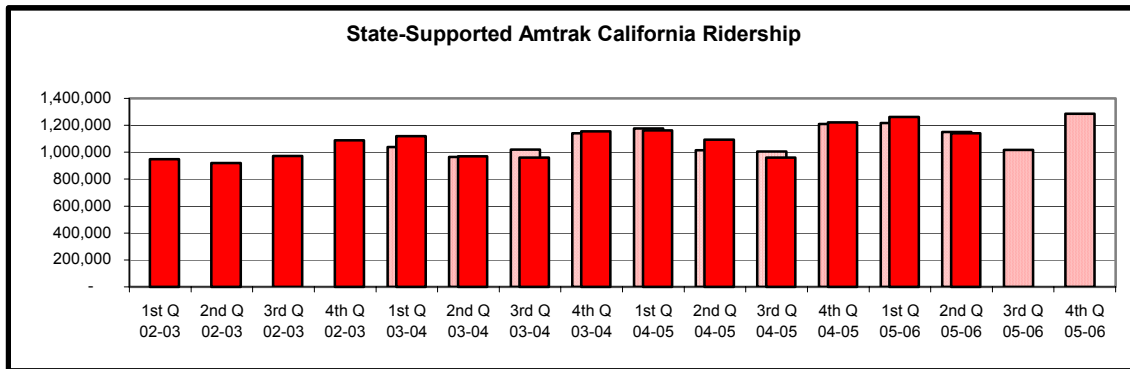
California provides financial and administrative support for Amtrak intercity rail passenger service on three corridors within the State: the *Pacific Surfliner Route* between San Diego, Los Angeles, and San Luis Obispo; the *Capitol Corridor* between the Sacramento region, Oakland, and San Jose; and the *San Joaquin Route* to Bakersfield from both Oakland and Sacramento. These routes are, respectively, the second, third, and fifth busiest routes in the entire national Amtrak system. State support for the *Pacific Surfliner* and *San Joaquin* routes is administered by the Department of Transportation (Department), while support for the third corridor is administered by a separate agency, the Capitol Corridor Joint Powers Authority (CCJPA), using funding provided through the Department.

Total ridership during the second quarter (October-December 2005) on the three routes increased by 4.4 percent over the comparable quarter in FY 2004-05 but was 0.9 percent below the Business Plan projection for the quarter. Overall revenue increased 9.7 percent while overall expense increased 5.8 percent for the first quarter, compared with the same quarter the previous year, with the farebox ratio going up by 1.7 percentage points to 49.1 percent.

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Passenger Miles per Train Mile (PM/TM), a measure of the average number of passengers on board an individual train at any one time, was 106.9 for the second quarter of FY 2005-06, 3.2 percent above the same period the prior year, and 2.8 percent above the Business Plan projection.

The following graphs depict the combined results of the three State-supported rail corridors in California. Route-specific charts are in the sections for each route that follow:



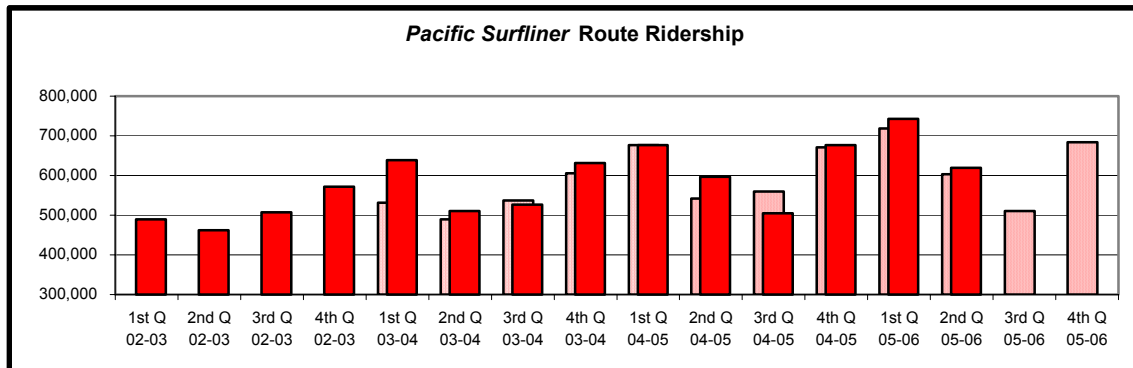
Notes:

Solid Bars reflect actual data; Shaded Bars reflect Business Plan Projection.

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Pacific Surfliner Route

There are currently 11 weekday round trips between Los Angeles and San Diego, four of which are through-trains between San Diego and Goleta (Santa Barbara). One of the four Santa Barbara round trips continues north to and from San Luis Obispo. A second San Luis Obispo train, which operates only between Los Angeles and San Luis Obispo, was instituted in November 2004, bringing the total level of service north of Los Angeles to five round trips daily.



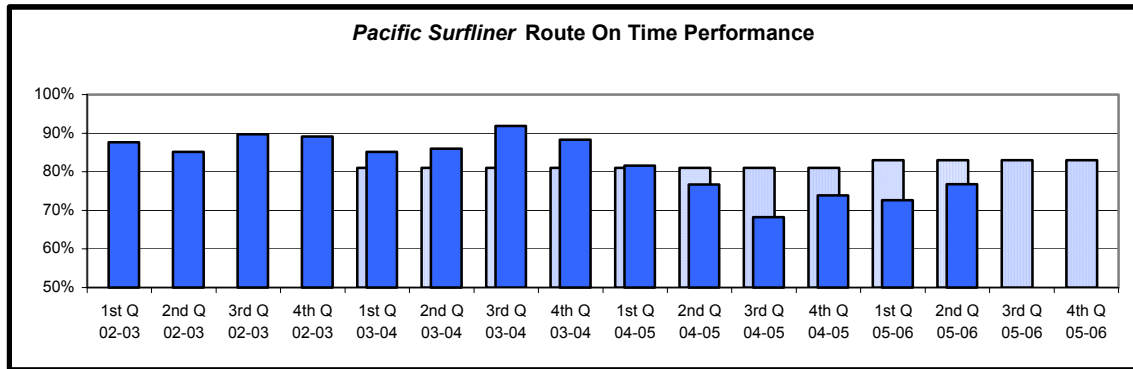
Performance on the *Pacific Surfliner* route has rebounded following the service disruptions of January and February 2005. October and November 2005 set ridership records for their respective months, extending the record-setting trend to nine consecutive months. Total *Pacific Surfliner* ridership for the second quarter was 3.8 percent higher than the same quarter the previous year and 2.7 percent higher than the projection in the Business Plan.

The “Rail 2 Rail” Program, in which the Department and Amtrak partner with both Metrolink and Coaster for the mutual honoring of tickets, continues to help spur ridership increases on all three services. Since its inception, over one million riders have taken advantage of this Program, demonstrating that the increased convenience of being able to use either of two systems at all stations from Oxnard south has made rail travel much more attractive throughout the Los Angeles basin. In addition to the “Rail 2 Rail” Program, targeted marketing to the senior and Hispanic markets is also contributing to the higher ridership and revenue on the corridor.

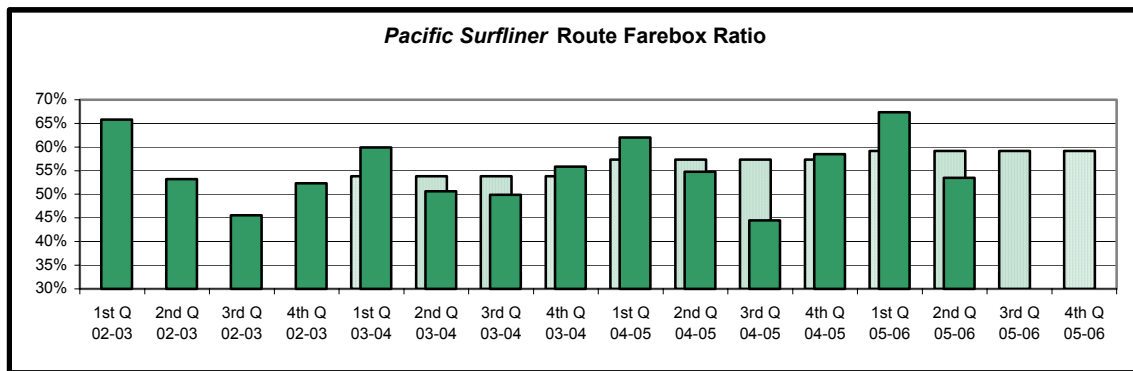
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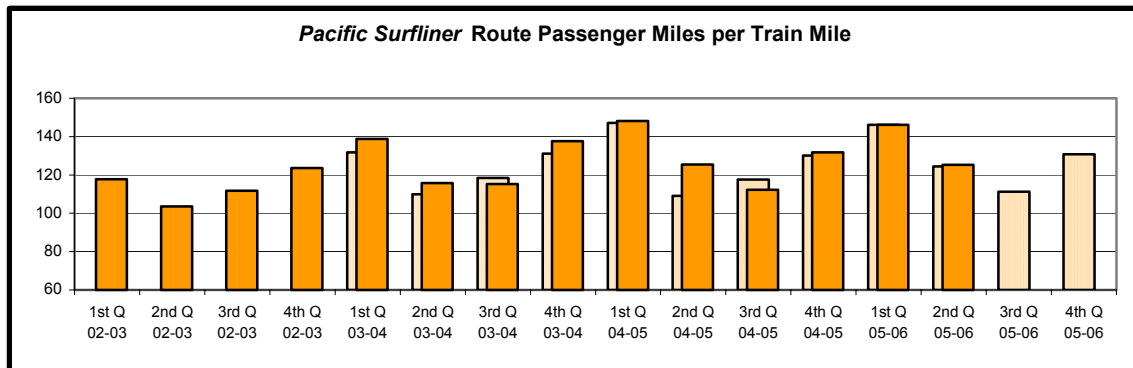
Pacific Surfliner Route (continued)



On-time performance in the second quarter was 76.7 percent, exactly the same as in the second quarter of the previous year. That was 3.7 percent better than in the first quarter, but was 7.6 percent below the Business Plan projection of 83 percent. A little more than half of the delays were directly attributable to traffic congestion (freight and passenger) on the mostly single track line, particularly north of Los Angeles on the Union Pacific.



Pacific Surfliner revenue for the second quarter increased 8.5 percent, compared with the same quarter the previous year. The corresponding increase in expense was 11.1 percent, with the farebox ratio going down by 1.2 percentage points to 53.5 percent, below the Business Plan projection of 59 percent.



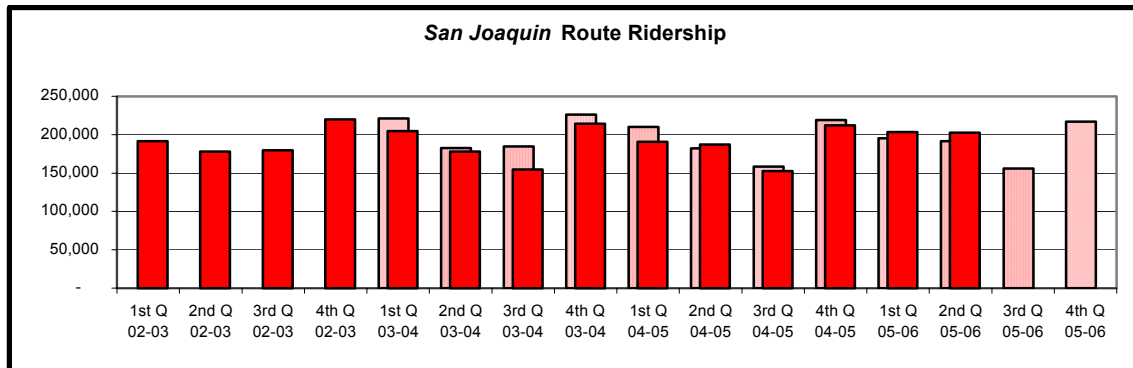
Passenger Miles per Train Mile (PM/TM) for the second quarter decreased slightly, from 125.5 last year to 125.3 this year, a decline of 0.2 percent. The length of the average trip on the route was 83.7 miles during the second quarter.

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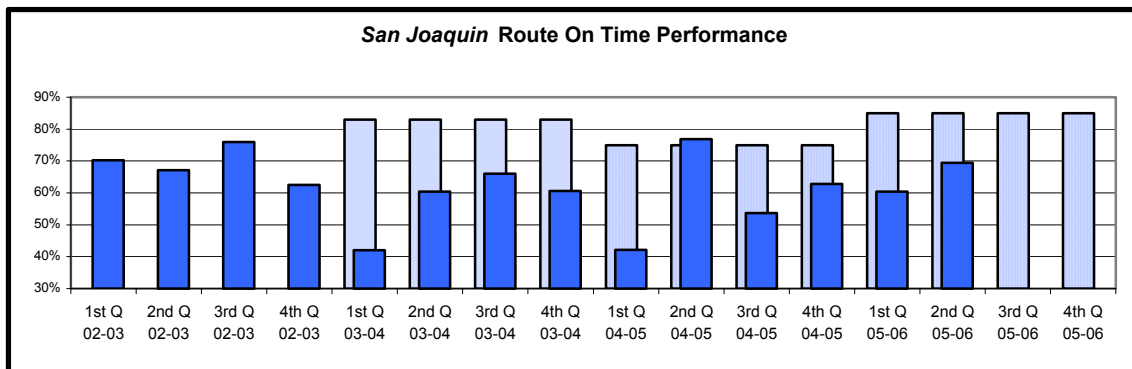
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San Joaquin Route

Currently, six daily train round trips serve the *San Joaquin Route*, four operating between Bakersfield and Oakland/San Francisco and two between Bakersfield and Sacramento. All six round trips have dedicated bus connections between Bakersfield and Los Angeles and other points throughout Southern California. On the north end, similar buses to and from Stockton connect Sacramento with Oakland trains and San Francisco/Oakland with Sacramento trains, thus providing six daily arrivals and departures for both northern terminals. Additional connecting buses provide feeder service to communities throughout the north end of the State.



Ridership on the *San Joaquins* set record monthly highs in all three months of the second quarter of FY 2005-06 and increased over the same quarter the previous year. Total ridership in the second quarter increased 8.3 percent, compared to the same period the year before, and exceeded the San Joaquin Route Business Plan projection by 5.9 percent.

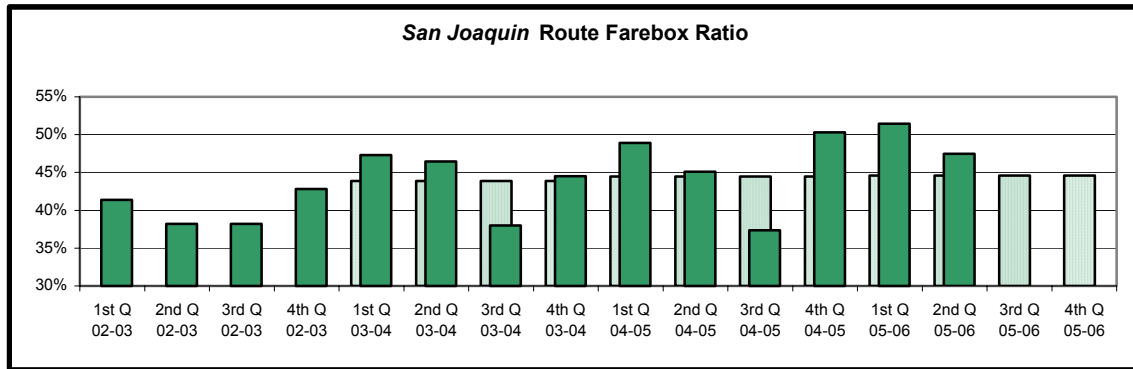


On time performance continued to be impacted by freight traffic congestion on the BNSF's single track San Joaquin Valley main line. After surging to 75 percent in October 2005, it slipped back into the mid sixties in November and December. The average for the entire second quarter was 69.4 percent, nine points better than the prior quarter, but 7.4 percent below the same quarter the previous year and 18.4 percent below the Business Plan projection.

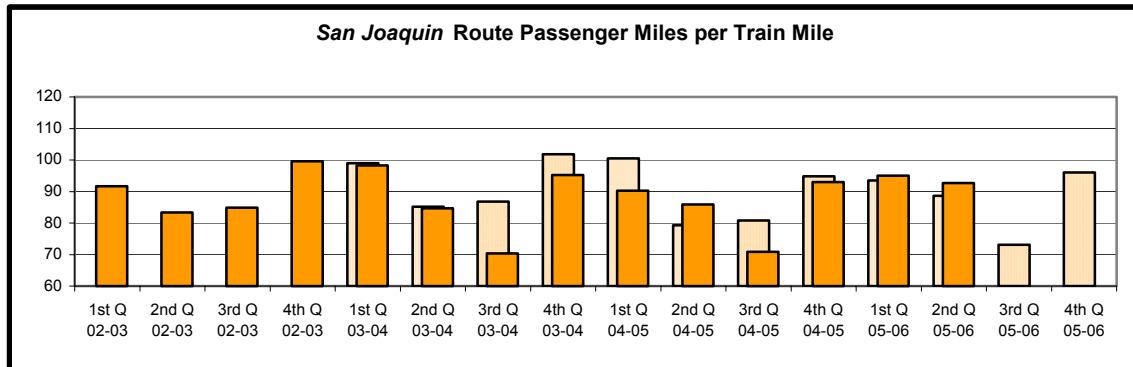
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San Joaquin Route (continued)



San Joaquin revenue for the second quarter increased 13.1 percent, compared with the same quarter the previous year. Expenses, at the same time, increased 7.5 percent, with the farebox ratio going up by 2.4 percentage points to 47.5, exceeding the Business Plan projection of 45 percent.

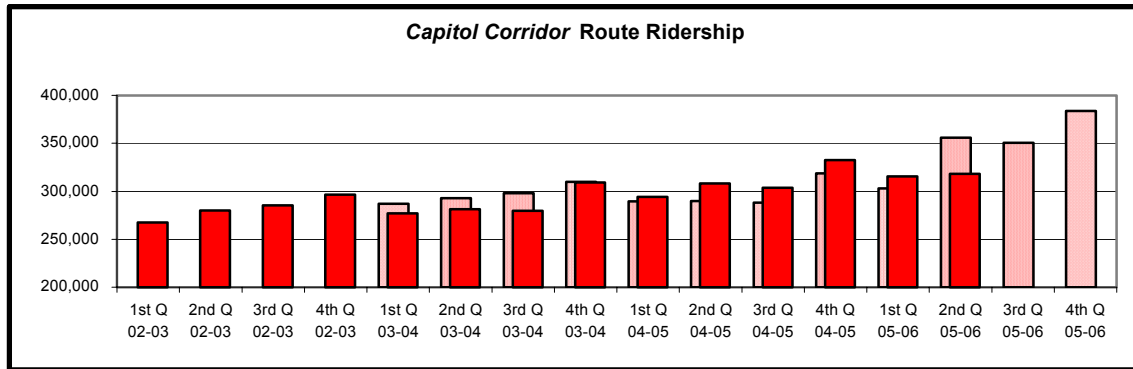


Passenger Miles per Train Mile (PM/TM) for the second quarter of the fiscal year were 92.7, up 7.9 percent from the 85.9 PM/TM generated during the same period of the previous fiscal year. Average trip length (for the train portion of passenger trips) was 154.5 miles.

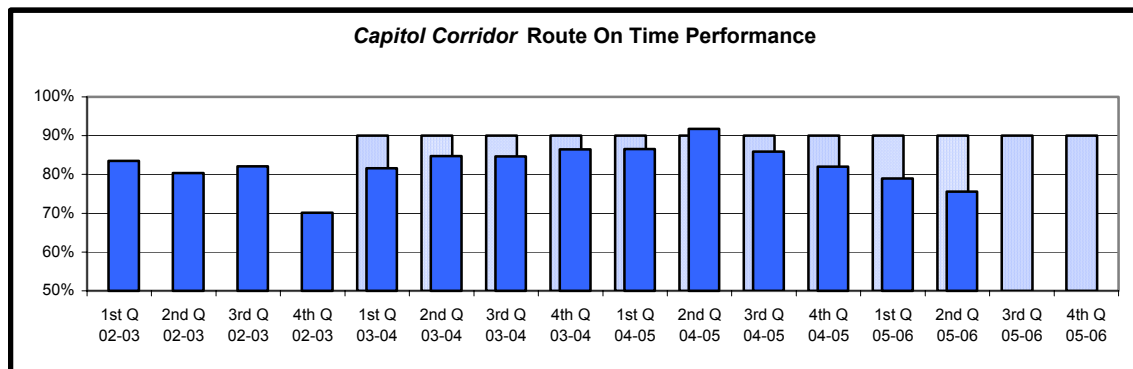
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Capitol Corridor

There are currently twelve weekday round trips between Oakland and Sacramento. One round trip each day continues to and from Auburn, and four round trips extend beyond Oakland to San Jose. On weekends there are nine Sacramento-Oakland round trips, with six round trips extending to San Jose and one to Auburn.



Ridership on the *Capitol Corridor* continued its steady increase, again setting ridership records in October and November 2005. A slight decline in December 2005 ended the 15-month string of consecutive ridership records (compared with the same month the previous year). Total ridership for the second quarter of FY 2005-06 increased 3.2 percent, compared to the same quarter the year before, but was 10.6 percent below the quarter's projection in the Business Plan.

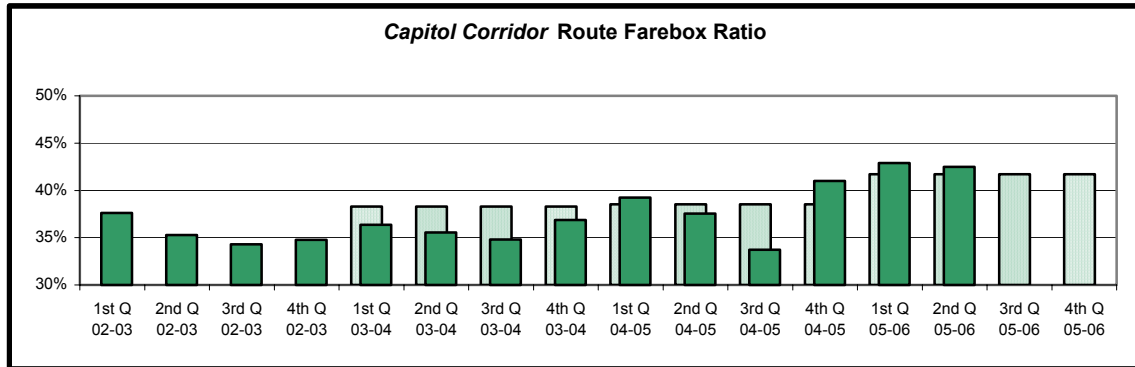


On time performance was 75.5 percent in the second quarter, down from 78.2 percent in the prior quarter, and below the Capitol Corridor Business Plan projection of 90 percent. Slow orders and train congestion were the primary sources of delays.

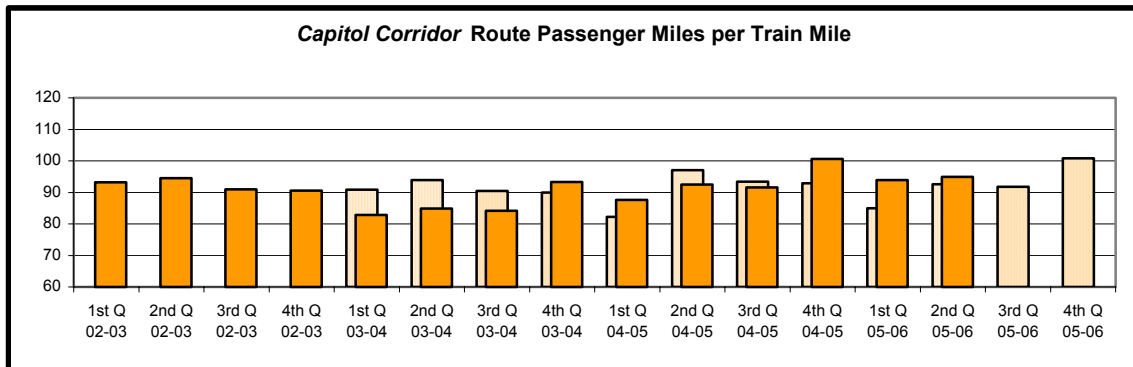
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Capitol Corridor (continued)



Capitol Corridor revenue for the second quarter increased by 7.1 percent, compared with the same quarter the previous year. Expenses decreased 5.4 percent, and the farebox ratio improved by 5 percentage points to 42.5, just over the Business Plan projection of 42 percent.



Passenger Miles per Train Mile (PM/TM) for the second quarter of the fiscal year were 94.9, up 2.5 percent from the 92.4 PM/TM generated during the same period of the previous fiscal year. Average trip length increased slightly from 68.4 to 68.6 miles.